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SENATOR FRED F ZHAROFF
ALASKA STATE LEGISLATURE

P.O. BOX 405, KODIAK, ALASKA 99815 (907) 486-5259

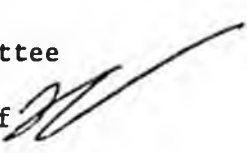
DURING SESSION:

P.O. BOX V, JUNEAU, ALASKA 99811 • (907) 465-3473 • 465-3474

DISTRICT N

ALASKA PENINSULA • ALEUTIAN CHAIN • BRISTOL BAY • KODIAK ISLAND • LAKE CLARK/LAKE ILIAMNA • PRIBILOF ISLANDS • SHUMAGIN ISLANDS

TO: Senator Jack Coghill
Chairman
Senate Resources Committee

FROM: Senator Fred F. Zharoff 

DATE: March 15, 1988

RE: Senate Bill 466 - "An Act relating to forgiveness and repayment of A. W. (Winn) Brindle memorial scholarship loans; and providing for an effective date."

The A. W. (Winn) Brindle memorial scholarship loan program was created by the Alaska legislature in 1986. The fund provides loans to Alaskan residents who wish to pursue undergraduate and graduate degrees or certificates in fisheries, fishery science, fishery management, seafood processing, food technology, and other closely related fields.

The Brindle scholarship loan fund was different from the other memorial scholarship loan funds in two aspects. First, along with direct donations, it can be funded by seafood processors with a five percent fisheries tax credit. Second, loan repayments were made to the regular student loan program.

Last year, the statutes governing the Alaska student loan program were substantially rewritten. In the process, the repayment provision and the forgiveness provision for Brindle loans were dropped.

SB 466 restores those provisions.

Backup information for SB 466 is attached, as follows:

1. Sectional analysis.
2. News release about the Brindle Scholarship Loan Program.
3. Brindle Scholarship Loan Program application instructions and application.
4. List of contributions to the Brindle loan fund.
5. Information about donations to the Brindle Scholarship Loan Program.
6. Senate Bill 453, which created the Brindle Scholarship Loan Program during the 1986 legislative session.

76. Attorney General's analysis of Senate Bill 453, dated May 27, 1986.

87. Current Memorial Scholarship Revolving Loan Fund statutes.

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: RE: Forgiveness and Repayment of
A.W. "Winn" Brindle Memorial Scholarship
Sponsor: Zharoff
Requestor: Senate Resources

Agency Affected: Education
BRU: Postsecondary Education
Loans
Components: Memorial Scholarship
Loans

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	n/a	-0-	-0-	-0-	-0-	-0-

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	n/a	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	n/a	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

No fiscal impact within the time of this note, since all funds are contributions, and repayments begin after schooling. Additionally, there are no General Funds involved.

Prepared by: Kerry D. Romesburg, Executive Director Phone: 465-2854
Division: Alaska Commission on Postsecondary Education Date: March 15, 1988

Approved by Commissioner: _____ Date: _____
Agency: _____

Distribution (by preparer):

Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)



SENATOR FRED F. ZHAROFF
ALASKA STATE LEGISLATURE

P.O. BOX 405, KODIAK, ALASKA 99615 (907) 488-6259

DURING SESSION:

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DISTRICT N

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SECTIONAL ANALYSIS

Senate Bill 466 - "An Act relating to forgiveness and repayment of A. W. (Winn) Brindle memorial scholarship loans; and providing for an effective date."

- SECTION 1** Allows the student financial aid committee to determine whether Brindle memorial scholarship loans should be repaid into either the regular student loan program or to the memorial scholarship revolving loan fund, depending on the anticipated demand for the loans.
- SECTION 2** Provides for the repayment of the Brindle loan if the recipient terminates their studies.
- SECTION 3** Allows a Brindle loan to be forgiven for up to fifty percent of the amount of the loan.
- SECTION 4** Immediate effective date.



ALASKA COMMISSION ON POSTSECONDARY EDUCATION
BOX FP - JUNEAU, ALASKA 99811
907/465-2854

NEWS RELEASE
January 1988

The 1986 Alaska Legislature established the A.W. "Winn" Brindle Memorial Scholarship Loan Program. This scholarship is in memory of A.W. Winn Brindle who was president of the Wards Cove Packing Company and Columbia Wards Fisheries. It is funded by private donations and contributions from fisheries businesses in exchange for tax credits. The Alaska Commission on Postsecondary Education to date has received \$180,700 in donations to the fund and is inviting interested students to apply for loans.

The loan funds will be used to provide educational scholarships for full-time undergraduate or graduate study at accredited schools in the following degree or certificate programs: fisheries, fishery science, fishery management, seafood processing, food technology, and other closely related fields. Loans may be used for tuition and fees, books and supplies, room and board, and transportation costs. Interest charged on the loans is eight percent.

A.W. "Winn" Brindle Memorial Scholarship Loan Program applications are available from the Alaska Commission on Postsecondary Education, Box FP, Juneau, Alaska 99811 (907) 465-2854. The application deadline is May 1, 1988 for the 1988-89 academic year.

1988-89

A.W. "WINN" BRINDLE MEMORIAL SCHOLARSHIP LOAN PROGRAM

Application Instructions

For attendance from September 1, 1988 through August 31, 1989

The 1986 Alaska Legislature established the A.W. "Winn" Brindle Memorial Scholarship Loan Program. This scholarship loan is in memory of A.W. "Winn" Brindle who was president of the Wards Cove Packing Company and Columbia Wards Fisheries. It is funded by private donations and contributions from fisheries businesses in exchange for tax credits. Scholarship loan applicants who have been nominated by donors will be given preference for receipt of the funds. The loan funds provide educational scholarships for full-time undergraduate or graduate study at accredited schools in the degree or certificate programs listed below.

FISHERIES
FISHERY SCIENCE
FISHERY MANAGEMENT

SEAFOOD PROCESSING
FOOD TECHNOLOGY
Other Related Fields

The scholarship loans are awarded in these fields to cover the cost of tuition and fees, books and supplies, room and board, and transportation costs for up to two round trips between the recipient's home and school each year. A loan may be made for up to five years of undergraduate study, five years of graduate study, or a combined maximum of eight years of study. Interest charged on the loans is eight percent. Recipients have up to ten years to repay.

To be eligible a student must:

1. be an Alaska resident for at least twenty-four consecutive months immediately prior to filing;
2. be, or plan to be, a full-time student in good standing during the period for which funds are requested. Good standing means (on a 4.0 scale) a cumulative GPA of at least 2.0 for undergraduate and 3.0 for graduate students, calculated for two or more terms, with no individual term GPA, for which the loan was received, falling below 1.5 for undergraduate and 2.5 for graduate students;
3. attend a school which is approved or accredited by a national or regional accrediting association or the Alaska Commission on Postsecondary Education;
4. be, or plan to be, enrolled in a career vocational-technical program or an associate, baccalaureate, or graduate degree program in one of the following fields: Fisheries; Fishery Science; Fishery Management; Seafood Processing; Food Technology; or other closely related fields as determined eligible by the Alaska Commission on Postsecondary Education;
5. not have had loans under this program for more than eight full school years, of which not more than five academic years were either undergraduate or graduate;
6. not be delinquent or in default on prior State loans or past due in child support obligations; and
7. reapply for each year a loan is desired.

APPLICATION DEADLINE: This application consists of two parts: Part A is the Application Information Sheet and Part B is the Student Essay. Parts A and B must be received complete and correct by the Alaska Commission on Postsecondary Education by a postmark date of no later than May 1, 1988. Mail completed applications to:

A.W. "Winn" Brindle
Memorial Scholarship Loan Program
Alaska Commission on Postsecondary Education
400 Willoughby Avenue
P.O. Box FP
Juneau, Alaska 99811
(907)465-2854



LOAN REPAYMENT OBLIGATIONS. We urge students not to borrow any more than is absolutely necessary. Your student loan should be used to supplement other available sources of assistance such as scholarships, grants, work-study programs, parental and family aid, etc. So that you will be aware of your future financial obligation regarding your Alaska student loan(s), the table outlines what your monthly payment would be over a ten (10) year repayment cycle for various total loan amounts borrowed. In addition to the principal which must be repaid, interest accrues during the repayment period at a rate of eight percent (8%) per year.

NOTICE

The status of this loan may be reported to a credit bureau. Therefore, in order to maintain a good credit rating, it is to your advantage to comply with all the terms of the loan agreement and to meet your responsibilities as a borrower under this program.

IF YOUR STUDENT LOANS TOTAL:	YOUR MONTHLY PAYMENTS FOR 120 MONTHS (10 YRS) WOULD BE:	TOTAL TO BE REPAYED:		
		8% Interest	Principal	Total
\$ 1,000.00	\$ 12.80	\$ 535.60	\$ 1,000.00	\$ 1,535.60
2,000.00	25.60	1,072.40	2,000.00	3,072.40
3,000.00	38.40	1,608.00	3,000.00	4,608.00
4,000.00	51.20	2,143.60	4,000.00	6,143.60
5,000.00	63.99	2,679.20	5,000.00	7,679.20
6,000.00	76.80	3,215.00	6,000.00	9,215.00
7,000.00	89.60	3,751.60	7,000.00	10,751.60
8,000.00	102.39	4,287.20	8,000.00	12,287.20
9,000.00	115.19	4,822.80	9,000.00	13,822.80
10,000.00	128.00	5,358.60	10,000.00	15,358.60
15,000.00	191.99	8,036.80	15,000.00	23,036.80
20,000.00	255.99	10,719.20	20,000.00	30,719.20
25,000.00	319.99	13,398.40	25,000.00	38,398.40
30,000.00	383.98	16,077.60	30,000.00	46,077.60
35,000.00	447.98	18,756.00	35,000.00	53,756.00
40,000.00	511.98	21,437.20	40,000.00	61,437.20
45,000.00	575.97	24,116.40	45,000.00	69,116.40
50,000.00	639.97	26,796.80	50,000.00	76,796.80

PRIVACY ACT NOTICE

The Privacy Act of 1974 (5 U.S.C.552a) requires that an agency provide the following notice to each individual whom it asks to supply information:

1. The authority for collecting the requested information is section 7(a)(2) of the Privacy Act.
2. The principal purposes of this information are as follows: to verify the identity of the applicant; to determine program eligibility; to permit servicing of the loan; and in the event it is necessary, to locate missing borrowers and collect on delinquent or defaulted loans.
3. The routine uses include the following: the information may be furnished during the life of the loan to holders of this and other loans made to the borrower; to educational institutions in which the borrower is enrolled or is accepted for enrollment; to guarantee agencies; to Federal or State agencies or private parties who may be able to provide information necessary for the collection of the loan, or to assist in the servicing or collection of the loan.

Section 7(b) of the Privacy Act of 1974 (5 U.S.C.522a) requires that when any Federal, State, or local government agency requests an individual to disclose his/her social security number (SSN) that individual must also be advised whether that disclosure is mandatory or voluntary, by what statutory or other authority the number is solicited, and what uses will be made of it.

Section 7(a)(2) of the Privacy Act provides that an agency may continue to require disclosure of an individual's SSN as a condition for the granting of a right, benefit, or privilege provided by law where the agency required the disclosure under statute of regulation prior to January 1, 1975, in order to verify the identity of an individual.

Disclosure of the applicant's SSN is required as a condition for participation in the loan program. The SSN will be used to verify the identity of the applicant, and as an account number (identifier) throughout the life of the loan in order to record necessary data accurately. As an identifier, the SSN is used in such program activities as: determining program eligibility; certifying school attendance and student status; determining eligibility for deferment or repayments; determining eligibility for disability or death claims; and for tracing and collecting in cases of defaulted loans.

APPEAL

Any decisions made by staff may be appealed by writing the Executive Director, Box FP, 400 Willoughby Avenue, Juneau, AK 99811 within 30 days of the date the recipient was notified of the decision.

Decisions made by the Executive Director may be appealed to the Commission by writing the Chairman of the Commission, Box FP, 400 Willoughby Avenue, Juneau, AK 99811. The appeal will be placed on the agenda for the next meeting and the recipient will be notified of the time and location of the meeting.

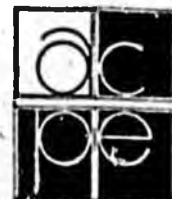
1988-89

A.W. "WINN" BRINDLE MEMORIAL SCHOLARSHIP LOAN PROGRAM
 For attendance from September 1, 1988 through August 31, 1989

PART A - TO BE COMPLETED BY APPLICANT.					
1. Last Name		First Name		Middle Name	2. Social Security Number
3. Permanent Mailing Address			City or Town	State	Zip Code
4. Current Mailing Address			City or Town	State	Zip Code
5. Date of Birth Mo. ___ Day ___ Yr. ___	6. State of Permanent Residence _____	Since: Mo. ___ Yr. ___	7. Area Code/Home Telephone Permanent ()	Area Code/Home Telephone Current ()	
8. Enter the total number and ages of your dependents: (Do not count yourself) No. ___ Ages: _____		9. Name, City, State of Last High School Attended:		10. Date of High School Graduation or GED Diploma Awarded: Mo. ___ Yr. ___	
11. Name of Educational Institution for Loan Period				12. Commission Use Only School Code: _____	
Address of Educational Institution			City or Town	State	Zip Code
13. Check each term you will attend during year for which loan applies: (Loans will be made for attendance from September 1, 1988 through August 31, 1989.)					
Quarters: ___ Fall, 88 ___ Winter, 89 ___ Summer, 89 ___ Spring, 89		Semesters: ___ Fall, 88 ___ Spring, 89 ___ Summer, 89		Trimesters: ___ Fall, 88 ___ Spring, 89 ___ Summer, 89	
14. Type of tuition you will pay for loan period: ___ Resident ___ Non-Resident ___ No Differential			15. Date of attendance for which loan is requested: FROM: Mo. ___ Day ___ Yr. ___ TO: Mo. ___ Day ___ Yr. ___		
16. Academic year of study for which loan applies (check one):					
UNDERGRADUATE: Fresh ___ Soph ___ Junior ___ Senior ___ 5th Year ___ GRADUATE: 1st ___ 2nd ___ 3rd ___ 4th ___ 5th ___					
17. Degree or Certificate being sought (Associate, B.S., M.A., Ph.D., Diploma, Etc.):				18. Estimated date of Graduation: Mo. ___ Yr. ___	
19. Major course of study:			20. Have you applied for an additional loan under the Alaska Student Loan Program (ASL) for 1987-88?: Yes ___ Date: _____ No ___		

Complete the back of this page and attach Part B - Student Essay, and mail by May 1, 1988 to:

A.W. "Winn" Brindle Memorial Scholarship Loan Program
 Alaska Commission on Postsecondary Education
 Box 99, 100 Willoughby Avenue
 Juneau, AK 99811
 (907) 465-2854



21. Estimated cost of education for the loan period:		22. Financial aid & other sources for period:	
		Com. Use	
Tuition Fees	\$	ASL	\$
Room & Board	\$	SEIG, SEOG, PELL Grant	\$
Books & Supplies	\$	Parents	\$
Transportation	\$	BIA	\$
SUBTOTAL	\$	Native Corp. Grant	\$
Personal	\$	AK Native Scholarship	\$
TOTAL	\$	YA Benefits	\$
		AFDC	\$
		Other	\$
		TOTAL	\$

23. While in school, will you live (check one): <input type="checkbox"/> With Relatives <input type="checkbox"/> On Campus <input type="checkbox"/> Off Campus	24. Do you have previous loans under this program? <input type="checkbox"/> Yes <input type="checkbox"/> No	25. Are you (check one): <input type="checkbox"/> Dependent <input type="checkbox"/> Independent
--	--	--

26. Student status during loan period: <input type="checkbox"/> Full-time <input type="checkbox"/> Part-time	27. Have you/will you apply during the loan period for State Educational Incentive Grant (SEIG): Yes <input type="checkbox"/> Date Applied: _____ No <input type="checkbox"/>
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28. YOU MUST FURNISH THE NAMES AND ADDRESSES OF TWO RELATIVES LIVING AT DIFFERENT ADDRESSES AND NOT LIVING AT YOUR PERMANENT MAILING ADDRESS WHO WILL ALWAYS KNOW YOUR CURRENT ADDRESS.

Name	Relationship		
Mailing Address: P.O. Box or Street	City	State	Zip Code
Name	Relationship		
Mailing Address: P.O. Box or Street	City	State	Zip Code

WARNING: Under AS 09.63.020(b), any person who knowingly makes a false or misleading statement on this form under penalty of perjury, is guilty of perjury.

29. I hereby certify under penalty of perjury, that each of the foregoing statements is true and complete to the best of my knowledge and belief. I certify that any funds received under the A.W. "Winn" Brindle Memorial Scholarship Program will be used solely for expenses related to my attendance at the educational institution listed on this application.

I authorize the educational institution to release that information contained in my educational records that may be required by the Alaska Commission on Postsecondary Education in determining my eligibility for an A.W. "Winn" Brindle Memorial Scholarship Loan.

Date _____ Applicant's Signature _____

Part B - Student Essay to be Completed by Applicant - Use a separate piece of paper.

Please write a one-page summary of your intent to enter the fisheries or seafood processing profession. Include: 1) the reasons for your choice of profession; 2) the geographic area of the state or country in which you would most like to seek employment; and 3) pertinent school activities, community involvement, and volunteer or employment experiences which will prove beneficial in your career.

A.W. "WINN" BRINDLE MEMORIAL SCHOLARSHIP LOAN PROGRAM
CONTRIBUTIONS

July 1987	Starboard, Inc. (Ronald Wrenn)	\$ 200.00
August 1987	Red Salmon Cannery/Wards Cove (Alec Brindle)	100,000.00
November 1987	Yor Seafoods (Jean Tisdall)	10.00
December 1987	Peter Pan Seafoods, Inc. (Ray Puddicombe)	80,000.00
December 1987	Wards Cove Packing Co. (Alec Brindle)	500.00
February 1988	Schenk Seafood Sales, Inc. (Marjorie Hansen)	<u>2,500.00</u>
	TOTAL:	\$183,210.00

STATE OF ALASKA

ALASKA COMMISSION ON POSTSECONDARY EDUCATION

STEVE COWPER, GOVERNOR

PO BOX 111
JUNEAU, ALASKA 99811
PHONE: (907) 465-2854

M E M O R A N D U M

TO: Alaska Fisheries Businesses

FROM: Jane Byers Maynard, Assistant Director for Programs
Alaska Commission on Postsecondary Education *JBM*

SUBJECT: Fisheries Business Tax Credits for Donations to the A.W. "Winn"
Brindle Memorial Scholarship Loan Program

DATE: May 13, 1987

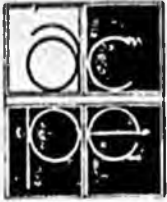
The 1986 Alaska Legislature established the A.W. "Winn" Brindle Memorial Scholarship Loan Program. This scholarship is in memory of A.W. "Winn" Brindle who was president of the Wards Cove Packing Company and Columbia Wards Fisheries. It is funded by private donations and contributions from fisheries businesses in exchange for tax credits.

The loan funds will be used to provide educational scholarships for full-time undergraduate or graduate study at accredited schools in the following degree or certificate programs: fisheries, fishery science, fishery management, seafood processing, food technology, and other closely related fields. Loans may be used for tuition and fees, books and supplies, room and board, and transportation costs. Interest charged is eight percent.

A fisheries business is entitled to a credit of up to five percent of its business tax liability for contributions made during the tax year to the A.W. "Winn" Brindle Memorial Scholarship loan account. A fisheries business may claim a credit under this program for the 1987 tax year and subsequent tax years.

If your business would like to make a donation to the "Winn" Brindle Scholarship fund for a tax credit and/or nominate an individual for receipt of this scholarship, please refer to the enclosed instructions for donations and nominations. Please note that scholarship loan applicants who have been nominated by donors will be given preference for receipt of these funds.

Enclosure



ALASKA COMMISSION ON POSTSECONDARY EDUCATION
BOX FP - JUNEAU, ALASKA 99811
907/465-2854

A.W. "WINN" BRINDLE MEMORIAL SCHOLARSHIP

INSTRUCTIONS FOR
DONATIONS AND NOMINATIONS

Donations

Beginning with the 1987 tax year, a fisheries business is entitled to a tax credit of not more than five percent of its business tax liability for contributions made during the tax year to the A.W. "Winn" Brindle Memorial Scholarship loan fund. A tax credit may not be approved for more than 100 percent of a scholarship contribution. Total tax credits claimed for a tax year for capital expenditures and scholarship contributions may not exceed 50 percent of the tax payer's business tax liability for that tax year.

To make a contribution to the scholarship fund:

1. Mail or deliver your contribution in the form of a check payable to the Winn Brindle Memorial Scholarship Loan Fund to the Alaska Commission on Postsecondary Education, 400 Willoughby Avenue, Box FP, Juneau, Alaska, 99811. The check will be deposited in the Memorial Scholarship fund account at the Commission.
2. File an Alaska Fisheries Business Tax Credit Application with the Alaska Department of Revenue for the current tax year. Applications will be available after July 1, 1987 from the Division of Audit, Department of Revenue, P.O. Box SA, Juneau, AK 99811-0400. The Department of Revenue will verify all contributions with the Alaska Commission on Postsecondary Education. Tax credit information will also be requested on tax return forms.
3. The Department of Revenue will approve or disapprove an application for a credit not later than 60 days after receipt of the application. The Department may not approve a tax credit if the fisheries business claiming the credit is in arrears in the payment of a fisheries business tax under AS 43.75.015. A tax payer is not considered in arrears if the payment is under administrative or judicial appeal.

A.W. "Winn" Brindle Memorial Scholarship Loan Program
Nomination Form

I would like to nominate the following individual to be considered for a scholarship loan under the A.W. "Winn" Brindle Memorial Scholarship Loan Program.

I believe this person would benefit from a scholarship loan to assist in the pursuit of a degree or certificate in a seafood industry or fisheries-related field of study.

Nominee's Name: _____

Address: _____

Phone #: _____

Please write a brief statement about your relationship to the above individual and how long you have known him or her. Include the nominee's current or proposed educational plans and field of study if known.

Please circle one:

I will/will not contribute to the A.W. "Winn" Brindle Memorial Scholarship Fund for the 1987 tax year.

I understand that if I contribute, I may be eligible for a tax credit through the Alaska Department of Revenue by submitting a Tax Credit Application Form. Applications may be obtained from the Division of Audit, Department of Revenue, P.O. Box SA, Juneau, AK 99811-0400.

Signature

Business Name

Printed Name

Business Address

Title

City and State

Date

Business Phone

Return to: Alaska Commission on Postsecondary Education, Box FP, Juneau, AK 99811 (907)465-2854

The 1987 Nomination Deadline is July 1, 1987. Nominations received after that date will be considered for the 1988-89 academic year.

Introduced: 2/18/86
Referred: Health, Education and
Social Services and Finance

IN THE SENATE

BY ZHAROFF

2

SENATE BILL NO. 453

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to memorial scholarship revolving
7 loans, creating the A. W. (Winn) Brindle memorial
8 scholarship loan; and providing for an effective
9 date."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 * Section 1. AS 14.43.250(b) is amended by adding a new paragraph to
12 read:

13 (5) the A. W. (Winn) Brindle memorial scholarship loan
14 perpetuates the memory of A. W. (Winn) Brindle, who was the president
15 of the Wards Cove Packing Company and Columbia-Wards Fisheries and
16 whose death July 4, 1977, terminated a distinguished career dedicated
17 to the development of the Alaska seafood industry.

18 * Sec. 2. AS 14.43.255(a) is amended to read:

19 (a) There is created a memorial scholarship revolving loan fund.
20 The fund shall be used to provide educational scholarship loans to
21 students selected under AS 14.43.250 - 14.43.325. Repayments [ALL
22 REPAYMENTS] of loans made under AS 14.43.250(b)(1) - (4) [PRINCIPAL]
23 shall be deposited [PAID] into the memorial scholarship revolving loan
24 fund and repayments of loans made under AS 14.43.250(b)(5) shall be
25 deposited into the scholarship revolving loan fund created under
26 AS 14.43.090. Repayments shall be used to make new [SCHOLARSHIP]
27 loans.

28 * Sec. 3. AS 14.43.300(a) is amended to read:

29 (a) A scholarship loan to a recipient under AS 14.43.250(b)(1) -

1 (4) [AS 14.43.250 - 14.43.325] may not exceed \$2,500 a school year for
2 an undergraduate student or \$5,000 a school year for a graduate stu-
3 dent, and [. LOANS] may not be made to a student for more than six
4 years. A scholarship loan to a recipient under AS 14.43.250(b)(5) may
5 not exceed the cost of tuition and required fees, books and education-
6 al supplies, room and board, and transportation for two round trips
7 between the recipient's home and school each year. A loan under
8 AS 14.43.250(b)(5) may not be made for more than five years of under-
9 graduate study, five years of graduate study, or a combined maximum of
10 eight years of study.

11 * Sec. 4. AS 14.43.300(b) is amended by adding a new paragraph to read:

12 (5) a A. W. (Winn) Brindle memorial scholarship loan may be
13 used only to pursue a certificate or degree program in an accredited
14 school, college, or university in fisheries, fishery science, fishery
15 management, seafood processing, food technology, or other closely
16 related field.

17 * Sec. 5. AS 14.43.300(c) is amended to read:

18 (c) The recipient of a memorial scholarship loan shall be a
19 resident of Alaska and [EITHER

20 (1)] enrolled or eligible for enrollment as a full-time
21 [UNDERGRADUATE OR GRADUATE] student in a certificate or [LEADING TO AN
22 ASSOCIATE, BACCALAUREATE OR GRADUATE] degree program in a field listed
23 in (b) of this section that is appropriate to the memorial scholarship
24 loan received [;

25 (2) A GRADUATE OF A HIGH SCHOOL, OR SCHEDULED FOR GRADUA-
26 TION FROM A HIGH SCHOOL WITHIN SIX MONTHS, WITH SUFFICIENT ACADEMIC
27 CREDITS TO BE ADMITTED TO A COLLEGE OR UNIVERSITY INTENDING TO PURSUE
28 A COURSE OF STUDY LEADING TO A DEGREE IN ONE OF THE FIELDS LISTED IN
29 (b) OF THIS SECTION THAT IS APPROPRIATE TO THE MEMORIAL SCHOLARSHIP

1 LOAN RECEIVED; OR

2 (3) AN OFFICER OR EMPLOYEE OF A DEPARTMENT, AGENCY OR
3 MUNICIPALITY IN THE STATE WHO INTENDS TO PURSUE A COURSE OF STUDY IN
4 THE OFFICER'S OR EMPLOYEE'S PROFESSIONAL FIELD LEADING TO A DEGREE IN
5 ONE OF THE FIELDS LISTED IN (b) OF THIS SECTION APPROPRIATE TO THE
6 MEMORIAL SCHOLARSHIP LOAN RECEIVED].

7 * Sec. 6. AS 14.43.305(a) is amended to read:

8 (a) Memorial scholarship loans under AS 14.43.250(b)(1) - (4)
9 shall be noninterest-bearing and security for the loan may not be
10 required. However, the note signed by the recipient shall provide for
11 the payment of attorney fees, costs of court and skip-tracing fees if
12 any are incurred in collection of the unpaid amount owed on the loan.

13 * Sec. 7. AS 14.43.305(e) is amended to read:

14 (e) A recipient of a memorial scholarship loan under AS 14.43.-
15 250(b)(1) - (4) [AS 14.43.250 - 14.43.325] who graduates from a degree
16 program shall receive forgiveness of one-fifth of loan indebtedness
17 for each one-year period the recipient is employed full time in Alaska
18 in

19 (1) law-enforcement or related fields, if a recipient of a
20 Michael Murphy memorial scholarship loan;

21 (2) criminal law, criminal justice or other closely related
22 fields, if a recipient of a Carroll L. "Butch" Swartz memorial schol-
23 arship loan;

24 (3) a recognized branch of the engineering profession or
25 other closely related fields, if a recipient of a Harvey Golub mem-
26 orial scholarship loan; or

27 (4) education or public administration, or other closely
28 related field, if a recipient of a Robert L. Thomas memorial scholar-
29 ship loan.

1 * Sec. 8. AS 14.43.305(g) is amended to read:

2 (g) A recipient who does not qualify for forgiveness of all or a
3 part of the loan made under AS 14.43.250(b)(1) - (4) [AS 14.43.250 -
4 14.43.325] shall begin repayment of the unforgiven portion within six
5 months after leaving employment, or terminating studies, in

6 (1) law enforcement or related fields, if a recipient of a
7 Michael Murphy memorial scholarship loan;

8 (2) criminal law, criminal justice or other closely related
9 fields, if a recipient of a Carroll L. "Butch" Swartz memorial schol-
10 arship loan;

11 (3) a recognized branch of the engineering profession or
12 other closely related fields, if a recipient of a Harvey Golub memori-
13 al scholarship loan; or

14 (4) education or public administration, or other closely
15 related field, if a recipient of a Robert L. Thomas memorial scholar-
16 ship loan.

17 * Sec. 9. AS 14.43.305 is amended by adding a new subsection to read:

18 (i) To the extent they are not in conflict with terms and con-
19 ditions under AS 14.43.250 - 14.43.325, the terms and conditions of a
20 memorial scholarship loan made under AS 14.43.250(b)(5) are the same
21 as the terms and conditions for a scholarship loan under AS 14.43.-
22 090 - 14.43.160.

23 * Sec. 10. AS 14.43.310 is amended by adding a new subsection to read:

24 (c) In selecting from among eligible applicants for award of a
25 memorial scholarship loan under AS 14.43.250(b)(5), the administering
26 authority shall give preference to applicants nominated by private
27 donors to the A. W. (Winn) Brindle memorial scholarship loan account
28 in the memorial scholarship revolving loan fund.

29 * Sec. 11. This Act takes effect July 1, 1986.

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K - STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3600

May 27, 1986

Honorable Bill Sheffield
Governor
State of Alaska
P.O. Box A
Juneau, AK 99811

Re: SB 453 -- relating to memorial scholarship revolving loans, and creating the A.W. (Winn) Brindle memorial scholarship loan
Our file no.: 88-3-86-0077

Dear Governor Sheffield:

At Jim Ayers' request on your behalf, we have reviewed SB 453, which creates the A.W. (Winn) Brindle memorial scholarship loan and makes some incidental changes to the memorial scholarship revolving loan fund. The fund is currently made up of four separate memorial scholarships, each of which has a different purpose, different conditions relevant to its purpose, and a separate account in the fund.

The bill amends AS 14.43.250 to create a fifth memorial scholarship loan, paying tribute to A.W. (Winn) Brindle, whose distinguished career was dedicated to the development of the Alaska seafood industry. The loan may be used to pursue a degree in fisheries or a related field.

The Brindle memorial scholarship loan differs from the others in several respects. Repayments are deposited into an account in the AS 14.43.090 scholarship revolving loan fund (i.e., the "regular" student loan fund), rather than the memorial fund. While the other memorial loans have a set of conditions that differ from those of the "regular" student loan program (e.g., the amount that may be borrowed is lower, and loans may be made to a student for a total of only six, rather than eight years; however, unlike regular student loans, these are interest-free, and up to 100 percent, rather than only 50 percent, may be forgiven), the Brindle memorial loan is largely subject to the same conditions as regular student loans. Finally, in awarding the Brindle memorial loans, the commission is to give a preference to applicants nominated by private donors to the Brindle memorial scholarship loan account. Under a proposed amendment to

Hon. Bill Sheffield, Governor
File No. 88-3-86-0097

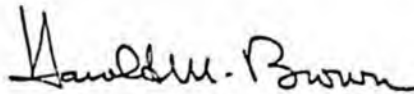
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AS 43.75.032, just passed by the legislature in SCS CSHB 58 (Fin) am S, a fisheries business may receive a credit of up to five percent of its business tax liability for contributions made to the Brindle memorial scholarship loan account.

Because the program is a revolving loan fund in which all repayments are put back into the fund and used to make new loans, the use of interest paid on those loans may contravene the constitutional prohibition against dedicated funds, Alaska Const., art. IX, sec. 7. However, we have indicated that we will defend such legislation until this issue has been definitively resolved by the court. 1982 Op. Att'y Gen. No. 13 (Nov. 30).

We perceive no other constitutional or legal problems.

Sincerely,



Harold M. Brown
Attorney General

HMB:LS:bap